

Staying Ahead

Legal Insurance Growing in Popularity

By Jane Bryant Quinn

NEW YORK—In California, you can pay \$25 a year for the right to telephone a lawyer anytime you want and get fast advice.

In Washington, D.C., laborers in the construction industry get free advice and consultation on personal legal problems, as well as free courtroom representation. Everything's paid out of union dues.

In western Pennsylvania, Blue Cross is preparing to offer individual legal-insurance contracts, at prices ranging from \$60 to \$140 per family. The lower-cost contract would cover up to 17 hours of legal consultation, which might run around \$450 if paid for privately.

In your own city, plans like this may soon be available if they aren't already. According to the American Bar Assn., some 150 full-scale pre-paid legal insurance plans are now operating in the United States, covering about 2 million people. And perhaps as many as 10,000 unions, credit unions, employers and other groups offer some form of group legal benefits.

The 1976 tax reform law made it advantageous for companies to offer these plans as a fringe benefit, which doubtlessly will expand their number tremendously. Millions of people would buy individual coverage if it were offered at a reasonable price.

Low-cost legal advice is, in fact, the chief attraction of pre-paid insurance plans. Typically, an employer, credit union or other group will contract with a specific panel of lawyers, offering them a large volume of legal business if they'll promise to charge each group member a low fee. The cost may be 20 to 40 per cent below standard fees.

Other plans (including those sponsored by bar associations) allow you to choose any lawyer you want. The coverage pays for a certain number of hours of legal work, so if the problem

can be cleared up quickly the cost is low. However, once the work exceeds the time covered by the insurance contract, the lawyer can charge his usual fee.

If you know your case is complicated, you should take the precaution of negotiating a reasonable fee in advance. But your insurance at least guarantees that the case will cost less than it would have without the coverage.

Some plans even cover "major legal" expenses just the way health plans cover "major medical." You have to pay a deductible (perhaps \$1,000) and the plan picks up the rest of the cost.

Legal insurance plans provide another benefit, worth even more than you'll save on legal fees. Having the coverage encourages you to use a lawyer for legal muddles; when otherwise you might try to do without.

Middle and lower income people generally avoid lawyers if at all possible. Mainly, they don't want to pay the fee. And a lot of people have personal grievances against the legal profession, and take pride in handling all their problems themselves.

That's fine, if it works. But it often doesn't. Stuart Brown of the National Legal Service Plan in Westwood, Calif., told my associate Anne Colamocsa that a good part of this business comes from untangling do-it-yourself legal projects—especially do-it-yourself divorces. Many an heir has lost money because of a do-it-yourself will; or a seller, because of a do-it-yourself contract.

Legal insurance programs encourage "preventive law"—people asking what to do about their problems before they get bad enough to need expensive help. The legal services most commonly needed involve landlord-tenant disputes; traffic cases; accidents; making or probating a will; consumer debt; family problems, like

divorces and child support; criminal charges; and, a new area, upgrading military discharges and applying for G.I. benefits.

Plans like that of the Laborers Union District Council in Washington, D.C. don't stop at small disputes, as some plans do, but stay with the

worker right into the courtroom if that's necessary.

One footnote: Most group legal plans will stand with you in court only if you're sued, not if you're doing the suing. This discourages litigation-happy people from getting their kicks at their plan's expense.

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